

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In Re:)	Chapter 11
)	
TEHUM CARE SERVICES, INC.,)	Case No. 23-90086 (CML)
)	
Debtor.)	
)	

**NON-PARTY ALFRED VELA’S SUPPLEMENT IN SUPPORT OF HIS MOTION TO
APPROVE LITIGATION SETTLEMENT AND AUTHORIZE PAYOUT, Dkt. 708**

Non-Party ALFRED VELA, through one of his attorneys, Jared Kosoglad, respectfully supplements his motion to approve a litigation settlement and authorize payout, Dkt. 708, and in support thereof, states as follows:

1. Non-Party Alfred Vela files this supplement in support of his motion to approve litigation settlement and authorize payout, Dkt. 708, to provide updated material information previously unavailable to him when this petition was filed on June 22, 2023.
2. In its July 13, 2023 objection, the debtor sought the denial of the relief sought by Vela in his motion on the grounds that proceeds of the Lexington policy were the property of the debtor because the outstanding claims against the debtor may exhaust the policy limits. Dkt. 793, p. 7, ¶ 22.
3. On June 10, 2024, undersigned counsel communicated with the attorney for Lexington Insurance Company, who provided the following information about the policy that covers the claim at issue in this motion:
 - a. Lexington Insurance Company agrees with the settlement of this claim and that the settlement should be implemented.

- b. Lexington Insurance Company agrees that the Court should approve the settlement but takes the position that paying the settlement would violate the stay.
- c. Lexington asked debtor to verify the liability limits, liability payments to date, and number of outstanding claims, but the Debtor has not done so yet.
- d. The chance that the settlement with Mr. Vela would lead to an exhaustion of Debtor's policy purchased from Lexington is 0%, based on the following:

Lexington Insurance Company's Policy Purchased By Debtor

Aggregate Liability Limit	\$ 23,081,604.00
Debtor's Indemnity To Date	\$ 9,112,403.93
Outstanding Cases (inclusive of Vela)	10
Per Claim Liability Limit	\$ 1,000,000.00
Outstanding Potential Liability	\$ 10,000,000.00
Total Potential Indemnity For All Claims (Indemnity To Date + Outstanding Potential Indemnity)	\$ 19,112,403.93
Leftover Aggregate Liability Limit (if all claims paid limit of liability) (Aggregate Liability Limit - Total Potential Liability)	\$ 3,969,200.07
Chance Lexington Policy Is Exhausted	0%

- 4. Thus, the Debtor's position in Dkt. 793, ¶ 22 that "a siege of tort claimants threaten the debtor's estate over and above the policy limits," does not apply to the Lexington policy at issue here, and the Debtor's decision to "classify the proceeds as property of the estate," is unfounded.
- 5. Accordingly, the Fifth Circuit's exception from the normal rule that "proceeds of liability insurance policies are typically not property of the estate, . . . where such

proceeds will be insufficient to cover all claims that have been asserted,” does not apply. (Dkt. 793, p. 7 , ¶ 22 (citing *Martinez v. OGA Charter, L.L.C.*, 901 F.3d 599, 604 (5th Cir. 2018)).

6. Mr. Vela seeks that the Court approve the settlement payout or adjourn the hearing to permit the debtor to verify whether the Lexington policy is at risk of exhaustion.

WHEREFORE, Mr. Vela requests that this Court approve the settlement and authorize payout and for any such other and further relief as this Court deems appropriate.

Respectfully Submitted,

s/Jared Kosoglad

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CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that on June 10, 2024, the attached pleading was served on all counsel of record via this Court’s electronic filing system.

s/Blake Horwitz